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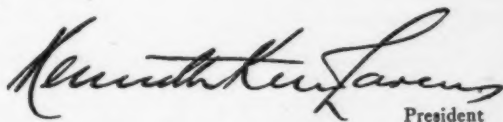
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THE CORPORATION TRUST COMPANY AND AFFILIATED COMPANIES

The policy of The Corporation Trust Company in all matters relating to the incorporation, qualification, statutory representation, and maintenance of corporations, is to deal exclusively with members of the bar.

The legislatures of forty States are now in session. Two more will convene in the near future. Many new and important measures, vital to corporations, undoubtedly will be passed. The Corporation Trust Company is closely watching these sessions, so that the attorneys for the many corporations served by it are assured of being advised of any important changes in the corporation laws. This service enables attorneys to take whatever steps may be necessary to maintain the statutory standing of their clients and avoid the penalties often imposed for failure to comply with new statutes.



President

THE CORPORATION TRUST COMPANY

37 Wall Street, New York

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The Corporation Trust Company System

15 Exchange Place, Jersey City

Organized 1892

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WILMINGTON, DELAWARE
(The Corporation Trust Co. of America)

DEPARTMENTS

Corporation Department—Assists attorneys in the incorporation of companies and in the licensing of foreign corporations to do business in every state and Canadian province, and subsequently furnishes annual statutory representation service, including office or agent required by statute.

Report and Tax Department—Notifies attorneys when to hold meetings, file corporation reports, and pay state taxes in every state and Canadian province.

Legislative Department—Reports on pending legislation; furnishes copies of bills and of new laws enacted by Congress.

Trust Department—Acts as trustee under deed of trust, custodian of securities, escrow depositary and depositary for reorganization committees.

Transfer Department—Acts as registrar and transfer agent of stocks, bonds and notes.

Federal Department—Reports decisions of the United States Supreme Court and rulings of the various Government departments. Furnishes agent at Washington for common carriers to accept service of orders, process, etc., of Interstate Commerce Commission.

SERVICES

Federal Income Tax Service—Reports the Federal Income Tax Law and the official regulations, etc., bearing thereon.

Federal War Tax Service—Reports the Estate Taxes (1921 and 1924 Acts), Gift Tax, Excess Profits Tax (1918 and 1921 Acts), Capital Stock Tax, Stamp Taxes, Sales Taxes, Tax on Admissions and Dues, and Special Taxes on Occupations, and the official regulations, etc., bearing thereon.

New York Income Tax Service—Reports the New York Personal and Corporation Income Tax Laws and the official regulations, etc., bearing thereon.

Federal Reserve Act Service—Reports the Federal Reserve Act and the official regulations, etc., bearing thereon.

Federal Trade Commission Service—Reports the Federal Trade Commission Act and the Federal Anti-Trust Act (the Clayton Act) and the official orders, rulings complaints, etc., bearing thereon.

Stock Transfer Guide and Service—Embodies extracts from the statutes and decisions of the various states and jurisdictions relating to transfers of a corporation's stock by executors, administrators, and guardians. Gives uniform requirements of the New York Stock Transfer Association, inheritance tax rates, and law provisions showing whether or not it is necessary to procure waivers or court orders. Reports new and amendatory legislation affecting stock transfers.

THE CORPORATION JOURNAL

Edited by John H. Sears of the New York Bar

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STOCK TRANSFERS

Liability of the Corporation

In 1878 the United States Supreme Court said:

"The officers of the company are the custodians of its stock books, and it is their duty to see that all transfers of shares are properly made, either by the stockholders themselves or persons having authority from them. If upon the presentation of the certificate for transfer they are at all doubtful of the identity of the party offering it with its owner, or if not satisfied of the genuineness of the power of attorney produced, they can require the identity of the party in the one case, and the genuineness of the document in the other, to be satisfactorily established before allowing a transfer to be made. In either case they must act upon their own responsibility. In many instances they may be misled without any fault of their own, just as the most careful person may sometimes be induced to purchase property from one who has no title, and he may perhaps have acquired its possession by force or larceny. Neither the absence of blame on the part of the officers of the company in allowing an authorized transfer of stock nor the good faith of the purchaser of stolen property, will avail as an answer to the demand of the true owner."

This statement was made in a case in which certificates for 1,170 shares of the capital stock of the Western Union Telegraph Company had been removed from a safety deposit box and assignments were forged by the use of the names of the record holders of the stock. The Supreme Court sustained the decision of the Circuit Court in allowing recovery against the Company, in the form of an order for the issuance of new certificates in the names of the true owners, together with dividends received since the authorized transfer by the forger or for the value of such shares in money. (*Telegraph Co. v. Davenport*, 97 U. S. 369).

The United States Supreme Court has applied this doctrine in the recent decision of *Mackenzie v. A. Engelhard & Sons Co.*, 45 Supreme Court Reporter 68. Louis B. Mackenzie brought suit in a Kentucky court against the maker of a note for \$7,500. The note stated that it was secured by shares of stock standing in the name of Eschmann. The stock was not endorsed. Mackenzie sued to recover on the note, to have it declared a lien upon the stock and to have the lien enforced. He filed the stock certificate which had been pledged as collateral as an exhibit. The corporation which had issued the stock in question was made a party to the suit. The action against the corporation was dismissed upon

its demurrer. Subsequently a judgment in the action was rendered in favor of the defendants and Eschmann was permitted to withdraw the certificate for the stock and substitute a copy. He presented the stock for transfer and obtained in its place new certificates in the names of his wife and his attorney. In the meantime Mackenzie, the plaintiff, perfected an appeal to the Court of Appeals of Kentucky. This court reversed the judgment of the lower court and final judgment was entered in his favor enforcing the lien upon the stock. Mackenzie bought in the stock on the sale and demanded of the corporation a new certificate. Mackenzie then brought suit against the corporation in the United States District Court which decided that he was entitled to recover from the corporation \$13,354.75, being the value of the stock and dividends declared after its purchase. The United States Supreme Court in sustaining this judgment, says:

"Liability of the corporation rightly was found to exist by both courts below. The company might be liable even without fault, and if for any reason

it were unable to restore the stock it might be answerable for its value . . . but here, as we have said, it had notice of the suit. It knew that the first judgment might be reversed, as it was, upon appeal, and was entitled to protect itself as it might have and for all that appears may have done, when it issued the new certificates."

The obvious and direct lesson to be gathered from the foregoing is that once litigation is instituted with respect to a claim for stock the corporation and its transfer agent should take no action with respect thereto until after a final decision in the matter by the highest court having jurisdiction or only after the right to appeal from the decision of the lower court has expired unless in the meantime it is protected by a surety bond or some other form of adequate indemnity. The case also illustrates one of the very many difficulties constantly arising in stock transfer work and why corporations should avail themselves of the wider experience in these matters which has been gained by responsible transfer agents and their counsel.

Domestic Corporations

Illinois.

Directors Holding Proxies of Stockholders Authorized to Act for Stockholders in Any Matter Competently Coming Before Meeting. In an action involving the ratification of a contract transferring the business of the Great Western Cereal Company to the Quaker Oats Company, it appeared that after the making of the contract by the directors of the cereal company, the directors had obtained proxies from the stockholders to be voted at a general meeting and at such meeting the proxies were voted by the directors in favor of the ratification of the proposed sale of the cereal company's business and property to the Quaker Oats Company. It was alleged that in order to obtain the proxies, the directors had concealed from the stockholders their intention to abandon the business of the cereal

company and to make, execute and deliver the above mentioned contract to the oats company. In answer to this contention, that is, that the corporation did not assent, because a majority of its stockholders did not know that a resolution of ratification was to be passed, the United States Circuit Court of Appeals (Seventh Circuit), says: "It may be noted that it is nowhere suggested that the shareholders, in granting proxies, did not intend fully to endow the proxy holders with authority to act in a meeting duly convened upon any matter competently brought before the meeting; much less does it intimate that the action, having been taken, was and is in contravention of the actual sentiment of the shareholders. Disregarding, therefore, the fact that plaintiff is pursuing a statutory remedy requiring a case to be brought clearly within statutory terms, the allegations of the declaration do not support the claim that the corporation upon the promptings of what was done at a meeting duly convened, did not assent to the act complained of. The statement, as a fact, of 'concealment' of an 'intention' to transact certain business at a shareholders' meeting, is not a violation of any right of a shareholder who gives a proxy broad enough to transact the particular business complained of." *Tilden et al. v. Quaker Oats Co. et al.*, 1 F. (2d) 160. Albert G. Welch, of Chicago, for plaintiffs in error. John M. Zane, of Chicago, for defendants in error.

Kentucky.

Stockholders Individually Have No Right to Profits of Corporation Until Dividend is Declared. This action is brought by a stockholder of the Farmers' Loose Leaf Tobacco Warehouse Company to recover on a note, on which the parties sued agreed to pay to the stockholder a certain sum "for the made net earnings dividend for the year 1919 ending when dividend is declared for the Farmers' L. L. Tobco, Scottsville, Ky., let this dividend be much or little on \$1,900 worth of stock." It appeared that when the note was executed the parties believed that the corporation would make 30 per cent and that the amount to be paid under the note represented 30 per cent on \$1,900 worth of stock, or \$570. The net earnings of the corporation for the 1919 season were slightly more than 25 per cent. However the board of directors declared a dividend of only 10 per cent, and the maker of the note refused to carry out his contract, claiming that there was a failure of consideration to the extent that the earnings were not delivered to him and that he was liable only for the difference between the face of the note and the entire net earnings. The Court of Appeals of Kentucky in passing on this point was of the opinion that the note evidenced the sale of the declared dividend and not of the net earnings for the year, for the reason that the profits or net earnings of a corporation are not dividends until so declared or set apart by the corporation, so as to become the property of the stockholders. The Court further says: "The word 'dividend' occurs three times in the note, and neither the qualifying words 'made net earnings,' nor the statements of Petty, are sufficient to show that the sale embraced property not fairly covered by the

terms employed to describe the subject matter of the sale, especially in view of the fact that Hagan had no title to, and never could transfer or deliver to Petty, any of the net earnings on his stock in excess of the dividend declared." *Petty et al. v. Hagan*, 265 S. W. 787. *Harper & Denton*, of Scottsville, for appellants. *W. D. Gilliam*, of Scottsville, for appellee.

New York.

Promissory Note May Be Given in Payment of Subscription for Corporate Stock. This action is brought to recover on a promissory note given in payment for certain shares of capital stock of the Empire State Motor Transport Lines, Inc. It appeared that the note was originally issued for the sum of \$2,000, the agreed price for the shares of stock. However at the request of the corporation and for its convenience the maker, a little later, substituted for this note, two notes bearing the same date for the sum of \$1,000 each, of which the note in suit is one. The corporation subsequently sold the note for the sum of \$900. In defence of the action it was contended that the fact that the note was in payment for stock to be issued necessarily rendered it unenforceable because the transaction contravened the provisions of the statute that "every subscriber shall pay in cash ten per centum upon the amount subscribed by him and no subscription shall be received without such payment," and that "no corporation shall issue either shares of stock or bonds, except for money, labor done or property actually received for the use and lawful purposes of the corporation." The Court of Appeals of New York in holding the note enforceable in the hands of a third person says, that while the subscription agreement was undoubtedly not enforceable at its inception by the original parties, yet when the maker gave the note he placed the corporation in a position where it could obtain money on his promise to pay and that the corporation did receive more than ten per cent but had not received it directly from the maker of the note. The Court further says that the spirit, if not the letter of the statute is satisfied when the subscriber has given the corporation a negotiable instrument for ten per cent or more of the amount subscribed for and the corporation obtains by negotiation of that instrument the said ten per cent in cash. This applies even though the purchaser of the note knew that the note was given in consideration of the corporation's promise to issue stock. *Furlong v. Johnston*, 239 N. Y. 141. *George P. Decker*, of Rochester, for appellant. *Edwin C. Redfern*, of Rochester, for respondent.

Transactions Between Subsidiary Corporations. This action is brought by the assignee of the Mammoth Copper Mining Company, a Maine corporation on account of damages alleged to have resulted to the mining company by reason of the breach of a contract for the purchase of zinc ore. It appeared that after the breach, the mining company sold the ore to the United States Smelting Company, that the smelting company smelted and subsequently sold the ore (which is alleged to be the same covered by the contract in suit) to the American Metal Company, realizing a profit on the transaction. It was further shown that the mining company and the smelting company were subsidiaries of

the United States Smelting, Refining & Mining Company, that the executive officers and boards of directors of the subsidiary companies and of the parent company were substantially identical, but that each subsidiary had a separate general manager and operating staff. In view of these facts it was insisted that no more than nominal damages should be awarded for the breach, as the profits made by the smelting company should be charged against the damages suffered by the mining company. The Supreme Court of the United States, in passing on this point, holds that the mining company and the smelting company were separate entities, that the smelting company did not make the sale of the ore on behalf of the mining company and that the intercorporate relations above referred to furnish no grounds for charging against the mining company the profits made by the smelting company. The Court pointed out that the smelting of the ore was separate and apart from the original contract and that the smelting company had paid the market value for the ore. *Miller, Alien Property Custodian, et al. v. Robertson. Robertson v. Miller, et al., 45 Sup. Ct. 73.* The Attorney General and Lindley M. Garrison, of Jersey City, N. J., for appellant Miller. Alfred Sutro, E. S. Pillsbury, and Frank D. Madison, all of San Francisco, Cal., Charles W. Stockton, of New York City, H. D. Pillsbury and Oscar Sutro, both of San Francisco, Cal., and Kenneth E. Stockton, of New York City, for appellant Robertson.

Wisconsin.

Stockholders' Consent at General or Special Meeting Necessary to Allow One Corporation to Purchase Stock of Another. The Supreme Court of Wisconsin holds, in a recent decision, that in order for one corporation legally to purchase stock of another corporation, it is necessary to obtain the consent of the holders of three-fourths of the capital stock at a general or special meeting and that such consent is invalid unless given at a general or special meeting of the stockholders. The present action is brought by the trustee of a bankrupt corporation against the Cast Stone Construction Company, to recover the unpaid balance on a stock subscription. The complaint alleged that although no resolution was ever adopted at a stockholders' meeting, the subscription had been approved and consented to by three-fourths of the holders of the capital stock. The Court, however, in construing the statute, holds that this consent must be given at a general or special meeting, and that the stock subscription in the instant case is invalid for the reason that no formal action had ever been taken by the stockholders in accordance with the provisions of the statute. The Court in applying this construction to the statute relies upon the commonlaw doctrine, set out in volume 3, *Fletcher Ency. Corp. sect. 1630*, to the effect that action by the stockholders or members individually, and not at a corporate meeting, even though a majority may concur, and even though their consent be expressed in a writing signed by them, is not the action of the corporation, and is void. *Kappers v. Cast Stone Const. Co., 200 N. W. 376.* Linderman, Ramsdell & King, and John B. Fleming, all of Eau Claire, for appellant. Bundy, Beach & Holland, of Eau Claire, for respondent.

WHY DELAWARE R

Often we are asked why lawyers select Delaware so much more frequently than any other state for the incorporation of their clients' businesses. The following extract from a letter sent by the Beatrice Creamery Company to its stockholders (as published in the *Financial Chronicle* of December 13, 1924) is of interest in that connection:

"In view of the fact that our charter in Iowa could not be renewed for a longer period than 20 years, and a saving of several thousand dollars in filing fees could be effected by incorporating in some other State and at the same time a perpetual charter be secured, and the stockholders be relieved of all inheritance taxes to the State of organization, the stockholders on November 7th voted unanimously to incorporate a company in Delaware, which State affords all these advantages, having the same name—*Beatrice Creamery Co.*—the new company to take over all assets of every kind and nature, wherever the same may be located, and to assume all liabilities of the present Beatrice Creamery Co. of Iowa."

Counsel for other companies which might profit by these or any of the many other advantages offered by incorporation in Delaware, may obtain from any of our offices complete data for the information of their clients. Such information will be furnished gladly, without cost or obligation.

THE CORPORATION

37 Wall St. N. Y.

The Corporation

15 Exchange

Or

Chicago, 112 W. Adams Street
Pittsburgh, Oliver Bldg.
Washington, Colorado Bldg.
Los Angeles, Bank of Italy Bldg.
Cleveland, Guardian Bldg.
Kansas City, Scarritt Bldg.
Portland, Me., 281 St. John St.

WILMINGTON, DEL.
(The Corporation)

INCORPORATION?

The Corporation Trust Company maintains at Wilmington, Delaware, the largest, best-equipped organization in that State devoted to handling for counsel all matters of corporate organization and maintenance.

This company furnishes counsel with complete information, precedents and forms for drafting all papers required for incorporation in Delaware; attends to the filing of all papers and publication of required notices; furnishes temporary incorporators, holds the first meeting, and opens the minute book; and subsequently maintains for the corporation, under counsel's supervision, the required office and agent in the state, keeps the original or duplicate stock ledger in the state, and notifies counsel of the date for filing

state reports and paying state taxes and of all other matters necessary for maintaining the company's corporate standing in the state. The Corporation Trust Company is the oldest and largest organization engaged in this line of work. Its services in incorporation are available to lawyers only.

TRUST COMPANY

11 New York

Company System

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IN DELAWARE
orators of America)

Foreign Corporations.

Arkansas.

Delivery by Agent of Foreign Corporation Under Order Approved at Home Office Does Not Constitute "Doing Business." This action is brought by the Louisville Silo & Tank Company to recover on a promissory note for \$1,000, given in connection with the sale of a granary. It appeared that the agent for the company solicited and obtained from the maker of the note, a written order, which together with other orders, was transmitted to the company, where the sales were confirmed and approved. The granaries under the accepted orders were shipped in a car to Stuttgart, Ark., on a freight bill made to the agent, who received the car, paid the freight and made delivery of the granaries, each one being marked with the name of the purchaser. The Supreme Court of Arkansas in declaring this to be a transaction of interstate commerce, bases its decision on the case of *Rogers v. Arkansas*, 227 U. S. 401, in which it was held that the delivery by agents of the selling corporation of vehicles, shipped under accepted orders in carload lots from the place of manufacture without the state to a point in the state, from whence they were delivered by the agents to the purchasers whose names appeared upon the tags attached, was merely a matter of detail in the manner in which the business was conducted and did not affect its character as interstate commerce. *Crawford v. Louisville Silo & Tank Co.*, 265 S. W. 355. Geo. C. Lewis, of Stuttgart, for appellant. M. F. Elms, of Stuttgart, for appellee.

Kentucky.

Discounting Notes by Foreign Corporation Does Not Constitute "Doing Business." In an action by the General Motors Acceptance Corporation, to enforce payment on a note at maturity, it appeared that the corporation was organized under the laws of New York for the purpose of financing automobile dealers by discounting notes received in the sale of automobiles, and also to discount notes executed by the dealer to the manufacturer in the purchase of automobiles, in both instances the notes being secured by liens retained on the automobile involved. The dealer is furnished by the corporation with a supply of forms for notes and liens or conditional sales contracts on which are printed assignments to the company. No business is solicited by the corporation in Kentucky and all assignments executed by the dealers are mailed to the company's office in Detroit, where they are passed upon and approved. The Court of Appeals of Kentucky in answer to the contention that the corporation was, under the above facts "doing business," makes the following comment: "It neither made nor has any contracts here, nor has it an agent soliciting or securing business in Kentucky, and it neither discounts nor accepts any notes or assignments in this state. It does not exercise any of the purposes for which it was organized within this jurisdiction. It was therefore not doing business in Kentucky, within the meaning of section 571 of

the Statutes as interpreted by this court and others in numerous decisions." *Jones v. General Motors Acceptance Corporation*, 265 S. W. 620. George W. Vaughn, of Lexington, for appellant. George C. Webb, of Lexington, for appellee.

Missouri.

Jurisdiction of Foreign Carrier May be Obtained by Garnishment of Traffic Balance. The American Fruit Growers, Inc., a Delaware corporation with the usual place of business in Missouri, brought this action against the St. Louis, Brownsville & Mexico Railway Company in an inferior court of Missouri. Jurisdiction was asserted solely by reason of the garnishment of traffic balances due from a connecting interstate carrier having a place of business in Missouri. The Brownsville company is a Texas corporation, operates its railroad solely in that state, has no place of business in Missouri and had not consented to be sued there. The cause of action sued on consisted of three claims of a consignee for damages to freight originating in Texas on lines of the Brownsville company and shipped on through bills of lading to points in other states. In answer to the contention that the Missouri attachment law allowing jurisdiction is void, as being a burden on interstate commerce, the Supreme Court of the United States, says: "Here the plaintiff consignee is a resident of Missouri—that is, has a usual place of business within the state; the shipment out of which the cause of action arose was of goods deliverable in Missouri; and, for aught that appears, the negligence complained of occurred within Missouri. To require that, under such circumstances, the foreign carrier shall submit to suit within a state to whose jurisdiction it would otherwise be amenable by process of attachment does not unreasonably burden interstate commerce." *State of Missouri ex rel. St. Louis, B. & M. Ry. Co. v. Taylor*, Circuit Judge, 45 Sup. Ct. 47. M. U. Hayden, Edward J. White and James F. Green, all of St. Louis, for plaintiff in error. J. L. London, of St. Louis, for defendant in error.

Ohio.

Filing of Foreclosure Suit by Foreign Bank Trustee Does Not Constitute "Doing Business." In an action involving the validity and priority of a mortgage, under which the Harriman National Bank of New York was acting in the capacity of trustee, the Court of Appeals of Cuyahoga county makes the following comment as to whether the trustee had transacted business in Ohio by commencing a foreclosure action because of defaults of the conditions in the mortgage: "The only act performed in Ohio by the bank trustee of any substantial nature whatsoever, was the filing in the court of common pleas of Cuyahoga county, the action to foreclose the mortgage in the instant case. Certainly it cannot be said that such single act constituted in law and in contemplation of the Ohio statutes, transacting or doing business in the State of Ohio, for if it did, then no New York banking institution or the banking institution of any other state outside of Ohio, could conduct business with any Ohio banks relating to loans, discounts,

deposits, drafts, daily balances, foreign exchanges, the honoring of checks, mutual accounts, or any other matter or thing, without complying with the provisions of section 178 and other sections of the General Code." The court points out that the bank was only acting as trustee and had no office, no agency, no headquarters, no officers, no establishment, no address and no domicile in Ohio. The case of *Martin v. Bankers Trust Company*, 156 Pac. 87, is cited, to the effect that simply acting as trustee of mortgaged property in Arizona was not carrying on business in that state. In the instant case the bank had, however, prior to the filing of the action deposited securities with the Department of Banks and had received a certificate that it had complied with the laws appertaining to foreign trust companies. *North Shaker Boulevard Co. et al. v. Harriman National Bank of New York*, Trustee, 22 O. L. R. 648. Bulkley, Hauxhurst, Jamison & Sharp, of Cleveland, for plaintiff in error. Bertram L. Kraus, of New York City, Ulmer & Berne and Thompson, Hine & Flory, of Cleveland, for defendant in error.

Some Important Matters for February and March

This calendar does not purport to cover general taxes or reports to other than state officials, nor those we have been officially advised are not required to be filed. *The State Report and Tax Service* maintained by *The Corporation Trust Company System* sends timely notice to attorneys for subscribing corporations of report and tax matters requiring attention from time to time, furnishing information regarding forms, practices and rulings.

ALASKA—Annual Report due on or before March 1—Foreign Corporations.

ALABAMA—Annual Franchise Tax payable April 1, but may be paid without penalty until April 30—Domestic and Foreign Corporations.

Annual Franchise Tax Statement due between January 1 and March 15—Domestic and Foreign Corporations.

ARIZONA—Annual Statement of Mining Companies due between January 1 and April 1—Domestic and Foreign Corporations engaged in mining of any kind.

CALIFORNIA—Report on General Franchise due within 10 days after first Monday in March—Domestic and Foreign Corporations.

COLORADO—Annual Report due within 60 days after January 1—Domestic and Foreign Corporations.

CONNECTICUT—Annual Report on or before February 15—Domestic and Foreign Corporations.

Income Tax Return due on or before April 1—Domestic and Foreign Corporations.

DELAWARE—Annual Franchise Tax due between 3rd Tuesday in March and July 1—Domestic Corporations.

DOMINION OF CANADA—Annual Income Tax Return due between January 1 and April 30—Domestic and Foreign Corporations.

ILLINOIS—Annual Report due between February 1 and March 1—Domestic and Foreign Corporations.

INDIANA—Annual Capital Stock Report due on or before March 1—Foreign Corporations engaged in manufacturing.

KANSAS—Annual Report and Franchise Tax due between January 1 and March 31—Domestic and Foreign Corporations.

LOUISIANA—Capital Stock Statement and Tax due on or before March 1—Foreign Corporations.

MAINE—Annual License Fee due on or before March 1—Foreign Corporations.

MARYLAND—Annual Report due between January 1 and March 15—Domestic and Foreign Corporations.

MASSACHUSETTS—Annual Report of information for income tax due between January 1 and March 1—Domestic and Foreign Corporations.

Franchise Tax Return due between April 1 and April 10—Domestic and Foreign Corporations.

MISSOURI—Annual Return of Net Income due between January 1 and March 1—Domestic and Foreign Corporations.

Annual Capital Stock Report and Tax due on or before March 1—Domestic and Foreign Corporations.

MONTANA—Annual Report due between January 1 and March 1—Foreign Corporations.

Annual Return of Net Income due between January 1 and March 1—Domestic and Foreign Corporations.

NEBRASKA—Statement to Tax Commissioner due on or before April 15—Foreign Corporations.

NEW HAMPSHIRE—Annual Return due on or before April 1—Domestic and Foreign Corporations.

Franchise Tax due between January 1 and March 1—Domestic Corporations.

NEW YORK—Annual Franchise Tax payable on or before March 15—Domestic and Foreign Real Estate and Holding Corporations, Transportation and Transmission Companies, other than those subject to the so-called income tax.

Capital Stock Report, Real Estate Holding Corporations, Transportation and Transmission Companies, due between January 1 and February 15—Domestic and Foreign Business Corporations. Form 42 C. T. Section 182 of the Tax Law.

Annual Return of Withholding Agent due between January 1 and April 15—Domestic and Foreign Corporations.

NORTH CAROLINA—Income Tax return due on or before March 15—Domestic and Foreign Corporations.

NORTH DAKOTA—Annual Income Tax Return due between January 1 and March 1—Domestic and Foreign Corporations.

PENNSYLVANIA—Capital Stock Report and Corporate Loan Report due between January 1 and February 28—Domestic and Foreign Corporations.

Bonus Report due between January 1 and February 28—Foreign Corporations.

Emergency Profits Tax Return due on or before March 15—Domestic and Foreign Corporations doing business or having capital or property employed in Pennsylvania.

RHODE ISLAND—Corporation Tax Return due on or before March 1—Domestic and Foreign Corporations.

Annual Report due during February—Domestic and Foreign Corporations.

SOUTH CAROLINA—Annual License Tax Report due during month of February—Domestic and Foreign Corporations.

Annual Income Tax Return due on or before March 15—Domestic and Foreign Corporations.

SOUTH DAKOTA—Annual Capital Stock Report due between January 1 and March 1—Foreign Corporations.

TENNESSEE—Annual Report of Supplemental Information due between January 10 and March 1—Domestic and Foreign Corporations.

TEXAS—Annual Capital Stock Report due between first day of January and the 15th day of March—Domestic and Foreign Corporations that are required to pay annual franchise tax.

UNITED STATES—Annual Return of Net Income due on or before March 15—Domestic Corporations and Foreign Corporations having an office or place of business in the United States.

VERMONT—Annual Tax Returns due on or before March 1—Domestic and Foreign Corporations.

Annual License Tax payable on or before March 1—Domestic and Foreign Corporations.

Extension of Certificate of Authority due between January 1 and March 31—Foreign Corporations.

Annual Report due on or before March 1—Domestic Corporations.

List of Stockholders due on or before April 5—Domestic and Foreign Corporations.

VIRGINIA—Annual Registration Fee due on or before March 1—Domestic and Foreign Corporations.

Annual Franchise Tax due on or before March 1—Domestic Corporations.

WEST VIRGINIA—Annual Report due in April—Foreign Corporations.

WISCONSIN—Annual Report due between January 1 and April 1—Domestic and Foreign Corporations.

Income Tax Return due on or before March 15—Domestic and Foreign Corporations.

Two More Business Practices Declared Illegal

In Federal Trade Commission v. Pure Silk Hosiery Mills, Inc. (see The Corporation Trust Company's Federal Trade Commission Service, Court Decisions Section, Page 851) the U. S. Circuit Court of Appeals 7th Circuit has granted the Commission's petition for an order on the respondent company, its officers, agents and employees, to cease and desist from carrying on its business under a trade or corporate name which includes the word "Mills" in combination with the words "Pure Silk Hosiery" or words of like import, and from representing, through advertising, circulars, or other means, that the hosiery it sells comes direct from manufacturer to consumer, "unless and until it actually owns and operates, or directly and absolutely controls a factory or mill

wherein is made any or all hosiery by it sold."

In The Butterick Company et al. v. Federal Trade Commission (see The Corporation Trust Company's Federal Trade Commission Service, Court Decisions Section, Page 846) the United States Circuit Court of Appeals for the Second Circuit has affirmed the Commission's order, and itself commands the company, to "cease and desist from selling the patterns manufactured by them or any of them, for resale to the public upon any contract, agreement or understanding that the distributor shall maintain the resale price fixed by the maker and/or that such distributor shall not deal in patterns produced by any other maker than the respondents or any of them."

Thus step by step the Federal Trade Commission is closing in on those business practices it adjudges "unfair competition," and is setting precedents that may control for generations to come in government regulation of private business. Business firms doing business in interstate commerce are overlooking an important development if they fail to keep informed of the Commission's proceedings and their implications. The Corporation Trust Company's Federal Trade Commission Service is the only practical means by which the whole trend of the Commission's activities can be kept clearly and understandingly in view at all times. The price of the Service is only \$15—covering the complete docket of complaints (indexed by name of respondent, by respondent's business and by practice complained of) together with the action, if any, taken on each complaint, and the subsequent court decisions bearing thereon, if any, from the time the Commission was organized to date, and including *continuing* service on new matters from date of subscription to the following April 30th.

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The Revenue Act of 1924 has provided many advantages for the taxpayer but to enjoy them he must conform, in the handling of his transactions, to the restrictions which the government, either in the law or in the official regulations and rulings issued by authority of the law, throws about them to protect itself from their abuse.

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